

Modern Slavery & Human Trafficking Statement

Smiths Group plc is a global technology and engineering company listed on the London Stock Exchange. The company has five operational divisions and approximately 23,000 employees. North America accounts for more than half of the company's revenue and approximately one third of the employees. We serve a wide range of end markets, including healthcare, energy and petrochemicals, threat and contraband detection, telecommunications, and engineered equipment and components. We have direct operations in more than 50 countries. Our products and services reach more than 200 countries through direct sales or sales through dealers and distributors.

The UK Modern Slavery Act 2015 (the Act) creates offences and imposes a duty on businesses supplying goods and services in the UK to report each year on the steps they have undertaken to ensure their operations and supply chains are free of human trafficking and slavery. Other jurisdictions have similar laws and requirements. For example, in the United States the California Transparency in Supply Chain Act 2012 imposes reporting requirements on retailers and manufacturers operating in California.

For purposes of the Act, "modern slavery" is a term used to encompass slavery, forced and compulsory labour, and human trafficking. It includes both adults and children being forced to work against their free will.

Smiths Group and its subsidiary companies (Smiths) are committed to essential ethical standards. This commitment is not new. The first principle of our Smiths Code of Business Ethics is that the company and its employees must comply with the laws and regulations of all countries in which we operate. This commitment applies whether we are acting through our employees or third parties. Smiths requires any individual or entity acting on its behalf to know, understand and abide by the laws and regulations applicable to their conduct. This includes employees, agents, distributors, and other third party representatives.

Principle 10 of the Smiths Code of Business Ethics states the company's commitment to uphold all internationally-recognised human rights, such as the United Nations Guiding Principles on Business and Human Rights. More specifically, Smiths is committed to ensuring its operations and supply chains are free of human trafficking and slavery. Our employment policies and procedures uphold this principle. Smiths also requires its suppliers to take all necessary steps to demonstrate that their operations and their supply chains comply with these commitments.

In 2014 Smiths adopted a Supplier Code of Business Ethics that expanded already existing contractual commitments to comply with applicable laws. The Supplier Code specifically provides that "Smiths will not tolerate the use by Suppliers or their supply chains of child or compulsory labour, human trafficking, slavery and any behaviour that does not maintain human dignity and respect." Smiths contractually reserves the right to terminate any supply

contract if there is a violation of this provision. The Supplier Code is available on the Smiths website for download in English and 20 other languages.

A copy of the Supplier Code was made available to all existing suppliers. This distribution was supplemented with targeted meetings with key suppliers. Senior company managers in high risk countries met with supplier executives to ensure they understood Smiths commitment to the Supplier Code. The list of high risk countries for the initial meetings was China, Indonesia, Malaysia and India. The list of countries will grow based on a focused risk assessment already underway. We will schedule additional meetings periodically to reinforce our insistence on compliance with laws and contractual undertakings outlined in the Supplier Code. In FY17 we will issue a detailed "Modern Slavery Act Guidance Note" to our key suppliers explaining the requirements of the Act and Smiths commitment to human rights.

New suppliers are screened for evidence of any potentially unethical operations and behaviours. This is part of the standard diligence and on-boarding process. Existing direct material suppliers are audited regularly with regard to compliance with contractual commitments. The audit protocols are being expanded to include reviews of adherence to basic human rights.

Smiths has engaged a third party, non-profit organisation to evaluate supplier compliance against legal and contractual commitments, including the provisions of our Supplier Code. For 2016 the review is focused on top suppliers in Central America, Latin America, Asia, Middle East and Eastern/Central Europe. It is envisaged the breadth of this exercise will be reviewed each year in a manner appropriate to the perceived level of risk. Where deemed appropriate the initial evaluation will be supplemented with focused on-site audits.

In addition to training about specific compliance issues, Smiths requires every employee to be trained every second year regarding the general requirements of the Smiths Code of Business Ethics. This training includes elements of the commitment to treat employees fairly, to respect human rights, to promote health and safety in the workplace, and to treat fellow employees respectfully.

Questions regarding this statement should be directed to the Smiths Ethics & Compliance Office in Washington, DC (+1 202 756 2910) or Investor Relations at the company headquarters in London, UK (+44 (0) 20 7004 1600).

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